

COUNTY OF CARTERET
BOARD OF COMMISSIONERS
SPECIAL MEETING: COMMISSIONERS' RETREAT
SOUNDSIDE HALL, NC AQUARIUM
FEBRUARY 8, 2016

The Honorable Carteret County Board of Commissioners held a Commissioners' Retreat on February 8, 2016 at 8:00 a.m. Present were: Chairman Robin Comer, Commissioners Mark Mansfield, Jimmy Farrington, Terry Frank, Jonathan Robinson, and Bill Smith; Commissioner Crittenton arrived at 8:59 a.m.


Staff present: Russell Overman, County Manager; Rachel Hammer, Clerk to the Board; Dee Meshaw, Assistant County Manager & Finance Director; and Chris Turner, Assistant County Manager & Human Resources Director.

Chairman Comer called the meeting to order.

Commissioner Robinson offered condolences to the family of Bettie Bell. He noted that he was saddened by her passing, spoke of her accomplishments, and stated that he felt fortunate to have been a part of the Commissioners with her.

FINANCIAL REVIEW UPDATE: FISCAL YEAR 2015-16

Ms. Meshaw reviewed the following information:



Financial Update

Presented to
Carteret County
Commissioners

February 8, 2016

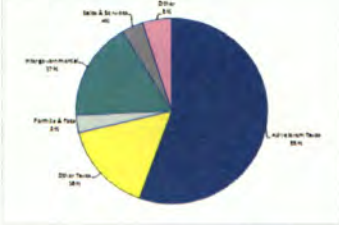
Financial Update

- Fiscal Year Ending June 30, 2015 (Audited)
- Fiscal Year Ending June 30, 2016 (Unaudited) year end estimates

General Fund FY 15

- General Fund ended the fiscal year in a strong financial position with a surplus in restricted occupancy tax revenues.
- Some major revenue sources exceeded the budget as well as expenditures were less than the budget.

General Fund Revenue FY15

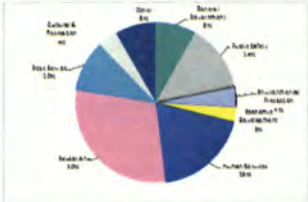


Excludes Debt Refunding

General Fund FY15 Revenue Budget to Actual Comparison

	Amended Budget FY15	Actual Revenue FY15	Variance with Budget
Ad Valorem	\$45.91 Million	\$46.47 Million	
Sales & Other Taxes	12.28 Million	13.15 Million	
Permits and Fees	2.67 Million	2.59 Million	
Intergovernmental	13.94 Million	14.30 Million	
Sales and Services	3.05 Million	3.05 Million	
Other Revenue	4.08 Million	4.13 Million	
Debt Refunding Proceeds	12.25 Million	12.25 Million	
Appropriated Fund Balance	6.33 Million	0.00 Million	
Total	\$100.52 Million	\$89.86 Million	\$(4.58) Million

General Fund Expenditures FY 15



Excludes Debt Refunding

General Fund FY15 Expenditures Budget to Actual Comparison

	Amended Budget FY15	Actual FY15	Variance with Budget
General Government	\$7.17 Million	\$6.69 Million	
Public Safety	11.53 Million	11.17 Million	
Transportation	1.53 Million	1.30 Million	
Environmental Protection	3.53 Million	3.40 Million	
Economic & Physical Development	3.47 Million	2.37 Million	
Human Services	17.01 Million	15.64 Million	
Education	24.26 Million	24.17 Million	

General Fund FY15 Expenditures Budget to Actual Comparison

	Amended Budget FY15	Actual FY15	Variance with Budget
Cultural & Recreation	\$3.41 Million	\$3.19 Million	
Debt Service	8.48 Million	8.32 Million	
Debt Payoff Refunding	12.13 Million	12.13 Million	
Non Departmental (Transfer to other funds and non department expenses)	8.00 Million	5.48 Million	
Total	\$100.52 Million	\$89.86 Million	\$6.66 Million

General Fund Summary FY15

	Amended Budget	Actual
Total Revenue and Other Sources	\$100.52 Million	\$95.94 Million
Total Expenditures and Other Uses	100.52 Million	93.86 Million
Revenues and Other Sources Over Expenditures and Other Uses		\$2.08 Million

Change in Fund Balance FY 15

Increase in Total Fund Balance	\$2.08 Million
Increase in Total Fund Balance Analysis:	
Restricted Fund Balance: Revenues that became restricted (Occupancy Tax)	\$3.06 million
Unassigned Fund Balance Used	(0.98) million
Total Increase in Fund Balance 06/30/15	\$2.08 million
Unassigned Fund Balance Analysis:	
Unassigned Fund Balance 06/30/14	\$30.09 million
Unassigned Fund Balance Used FY15	(0.98) million
Increase in Unassigned Fund Balance due to the FY 16 budget appropriation decrease compared to FY15 budget appropriation	1.53 million
Ending Unassigned Fund Balance 06/30/15	\$30.64 million

General Fund FY16 Revenue Budget to Estimated Comparison

	Amended Budget FY16 01/31/16	Estimated Revenue 06/30/16	Variance with Budget
Ad Valorem Taxes	\$43.59 Million	\$43.78 Million	
Sales & Other Taxes	12.93 Million	13.43 Million	
Permits and Fees	2.77 Million	2.67 Million	
Intergovernmental	14.27 Million	13.92 Million	
Sales and Services	3.05 Million	3.57 Million	
Other Revenue	3.67 Million	3.56 Million	
Appropriated Fund Balance	4.87 Million	0.00 Million	
Total	\$85.15 Million	\$80.93 Million	(\$4.22) Million

General Fund FY16 Expenditures Budget to Estimated Comparison

	Amended Budget FY16	Estimated Expenditures 06/30/16	Variance with Budget
General Government	\$8.11 Million	\$7.53 Million	
Public Safety	11.35 Million	11.12 Million	
Transportation	1.35 Million	1.24 Million	
Environmental Protection	3.54 Million	3.42 Million	
Economic & Physical Development	2.79 Million	2.61 Million	
Human Services	17.74 Million	17.04 Million	
Education	23.50 Million	23.90 Million	
Cultural & Recreation	3.54 Million	3.40 Million	
Debt Service	8.45 Million	8.15 Million	
Non Departmental	4.78 Million	7.54 Million	
Total	\$86.15 Million	\$85.55 Million	(\$1.60) Million

General Fund Summary FY16

	Amended Budget	Estimated
Total Revenue and Other Sources	\$84.15 Million	\$80.93 Million
Total Expenditures and Other Uses	84.15 Million	85.55 Million
Revenues and Other Sources (Under) Expenditures and Other Uses		(\$4.62) Million

Change in Fund Balance FY 16

Projected Decrease in Fund Balance	\$4.62 Million
Unassigned Fund Balance Analysis:	
Unassigned Fund Balance 06/30/15	\$30.64 Million
Unassigned Fund Balance Used FY16 Listed:	
General Services Facility	2.70 Million
School capital greater than the traditional funding	75 Million
Property purchases	73 Million
General Fund other capital and expenses	44 Million
Less Total Uses of Unassigned Fund Balance	16.62 Million
Projected Ending Unassigned Fund Balance 06/30/16	\$26.02 Million

General Fund Balance

Total Fund Balance and Unassigned Fund Balance

Y-axis: \$ in Millions
X-axis: Fiscal Year
Legend: Total Fund Balance, Unassigned Fund Balance

General Fund Expenditures FY16 Debt Payments

Community College, \$731,000 (9%)
General County Projects, \$264,425 (3%)
Schools, \$7,231,575 (85%)

Ms. Meshaw noted that there was little change in what was presented to Commissioners in the Fall; highlights included: ended in a strong financial position; had a surplus in restricted occupancy tax revenues; expenses were under budget, as traditional. Ms. Meshaw noted that the total FY15 budget was \$100.52M; actual was \$95.94M.

Ms. Meshaw shared that for '16, the variances will be a little bit tighter; property taxes and sales taxes are showing a little over budget; revenues are projected to come in around \$81M. Ms. Meshaw shared that she does not feel there is anything to be concerned about at this point.

Ms. Meshaw reviewed the change in fund balance for FY16, noting that monies have not been transferred for the general facilities building; expected to spend \$4.62M in reserves; the projected ending unassigned fund balance for 6/30/16 is \$26.02M.

Ms. Meshaw reviewed the debt service for schools, and noted that it shows that Commissioners have worked hard to take care of education for the County and have concentrated on funding for the schools.

Ms. Meshaw closed her report noting that we are in a very strong position for the County, and commented that when Commissioners adopted this budget, they were very responsible;

sometimes fund balances are used to suppress the tax rates; this Board is using funds for planned, strategic items.
BUDGET PROCESS UPDATE

To: Board of Commissioners
From: Russell Overman, County Manager
Date: February 15, 2016
Subject: Budget Calendar Fiscal Year 2016 - 2017

Attached for your consideration is the County's proposed 2016 – 2017 fiscal year budget calendar. The budget calendar is adopted annually and sets major dates for developing and adopting the County's annual operating budget. Some key dates are as follows: Board of Education's and Community College's budget requests are due to the County Manager and the Finance Director March 24, the formal budget presentation to the Board of Commissioners is May 2, and the public hearing is scheduled for June 6. Also, budget workshops to review the recommended budget are not scheduled. As the spring approaches, I will schedule workshops with the Board. No date is set for budget adoption. The County's annual budget must be adopted no later than June 30 of each fiscal year.

Fiscal Year 2016 – 2017 Budget Calendar


February 15, 2016	Board of Commissioners adopt budget calendar
January 13	Staff meeting to distribute budget materials to department heads
January 13 –February 12	Departments prepare budget request
February 8	Board of Commissioners Retreat
February 12	Departments budgets due to Finance Department
February 12 – March 18	Finance Department reviews request and prepares budget. Department budget meetings with Finance Department
March 01 – April 15	County Manager makes revisions to budget, and Finance Department prepares recommended budget
March 24	Community College and County Schools budget due to County Manager and Finance Director
May 2	Recommended budget presented to the Board of Commissioners
To be Established	Board of Commissioners to review recommended budget and conduct budget workshops
May 29	Advertise public hearing for annual budget
June 6	Public hearing for annual budget
To be adopted any time after June 6, but before June 30	Board of Commissioners adopt annual budget

Mr. Overman provided a budget process update, highlighting:

- No trouble at this point with budgets;
- Budget process has already begun although we have that on the 2/15/16 Board of Commissioners agenda;
- The next two months will be spent putting the budget together so that we can provide it sometime in mid-April; we do not receive school budgets until the end of March;
- We intend to look at areas where we may have further reductions, or look at areas that we may have cut too closely that we need to increase.

Mr. Overman noted that the County piggybacks on economist Dr. Barry Boardman, and shared the following report from Dr. Boardman:

Quarterly General Fund Revenue Report



FISCAL RESEARCH DIVISION

A Joint Agency of the Santa Barbara County Board of Supervisors

JANUARY 2016

BARRY BOARDMAN, Ph.D.

FY 2015-16 Revenue Through December

» General Fund revenue was \$120.1 million above the \$10.1 billion target for the first half of the fiscal year.

» Second quarter revenues (Oct.-Dec.) were \$79.7 million above target.

GENERAL FUND REVENUE BY SOURCE, FISCAL YEAR-TO-DATE (\$ millions)				
	FY 2015-16		FY 2014-15	
	Target	Actual	\$ % Difference	Actual
Net Tax Revenue	\$5,277.3	\$5,384.5	\$107.2 2.0%	\$4,895.2
Individual Income	3,392.7	3,292.6	(100.1) (3.0)	3,175.0
Sales and Use	444.7	488.9	44.2 9.9	536.8
Corporate Income	98.2	148.9	50.7 51.6	90.1
Franchise	543.2	556.4	13.2 2.4	530.9
Other				
Total Net Tax Revenue	\$9,756.1	\$9,871.3	\$115.2 1.2%	\$9,228.0
Non-tax Revenue & Transfers	\$360.7	\$365.6	\$4.9 1.4%	\$418.4
Total General Fund Revenue	\$10,116.8	\$10,236.9	\$120.1 1.2%	\$9,646.4

Highlights

» FY 2015-16 Revenue through December: Essentially on track at 1.2% (\$120 million) above the 6-month revenue target.

» Economic Outlook: The economy is on solid footing, and moderate growth is expected to continue throughout the fiscal year.

» Revenue Outlook: Ongoing improvements in employment set the stage for faster overall wage growth, which increases the likelihood of meeting this fiscal year's revenue forecast.

FY 2015-16 Revenue Through December

» The main General Fund revenue sources are performing close to expectations for the first half of the fiscal year.

1) Corporate Income Taxes: \$44 million (9.9%) above target.

- Represents the biggest revenue surprise thus far.
- Collections are \$43 million lower than last year due to 1% rate reduction to 5%.

2) Personal Income Taxes: \$107 million above target for the year.

- Growth is 6.0% over last year, helped by on-target wage & salary withholding and a \$165.1 million increase in Estimated and Final Payments over last year.
- Withholdings growth is aligning with wage & salary growth.
 - This is unlike last year, when the shift in the income tax rate and amount withheld created a temporary break in the relatively-tight relationship with wage growth.
- Revenue gains are slightly offset by prior-tax-year refunds running \$35 million higher than expected.

FY 2015-16 Revenue Through December

» (Cont'd): The main General Fund revenue sources are performing close to expectations for the first half of the fiscal year.

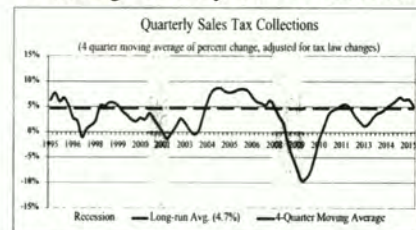
- 3) **Sales Taxes:** \$100 million below target.
- Gross collections 1.0% below target; refunds up 40% (\$57 million over target).
 - Collections have not maintained the pace of growth established this past summer. Baseline collections for the first quarter of the fiscal year (adjusted for base and rate changes) were up 7% over the same period last year. The second quarter was up only 2.8% compared to last year's second quarter.
- 4) **Franchise Taxes:** \$51 million above target.
- Most Franchise tax payments for this fiscal year are paid in March and April. However, collections can fluctuate considerably in the first half of the fiscal year if the State receives a few large tax payments on previous years' liabilities.

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01/15/2016

Tracking Economy-Based Collections



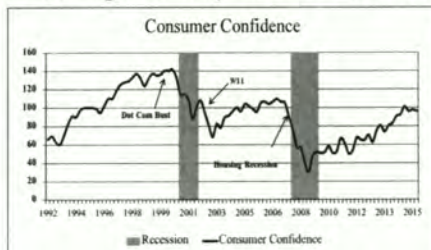
Baseline growth in the first-half of the fiscal year was 5.1%, which is below the projected 5.4% growth rate for the fiscal year. The second quarter slowed significantly with only 2.8% growth, pushing the 4-quarter average down to 5.3%.

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01/15/2016

Tracking Economy-Based Collections



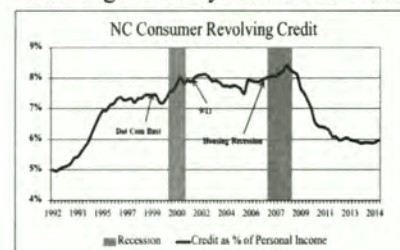
Consumer confidence has improved with an increase in economic stability, an improving jobs market, and better housing market conditions. The rise in consumer confidence has coincided with improving Sales tax collection in the State, which was averaging below 4% two years ago.

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01/15/2016

Tracking Economy-Based Collections



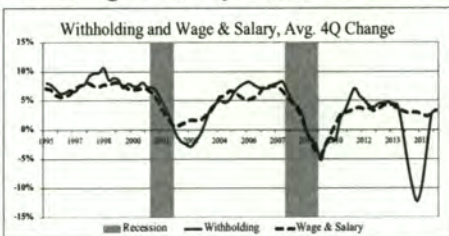
In the 1990s, revolving credit for household purchases grew rapidly and the 2000 recession did not slow this trend. When the housing bubble burst later in the decade, the revolving credit trend reversed. Since the sell-off after the recession, credit has stabilized near 6% of total income, still higher than in the early 1990s.

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01/15/2016

Tracking Economy-Based Collections



Net Withholding income growth (i.e., withholdings less refunds) fell dramatically as a result of tax law changes in S.L. 2013-316. Those changes no longer affect the yearly average change, and withholding and wage growth are now more closely aligned as they have been in the past.

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01/15/2016

Economic Outlook

- » The State's economy is at its strongest since the recession ended six and a half years ago. The pace of growth remains moderate, however, but has quickened sufficiently to improve overall economic conditions.
- » National economic forecasts continue to expect the growth in the nation's economy to remain slightly below average. While robust expansionary growth is not projected, moderate, steady growth is anticipated throughout 2016.
- » During the post-recession recovery, the State's economy has tracked closely with the recovery of the nation's and this trend is expected to continue as the State tracks along with this moderate, steady growth.

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01/15/2016

Economic Outlook

- » Given that the national economy in 2016 is positioned for stable growth, the risks of small economic shocks curtailing the economy's progress have been greatly reduced. As such, recession probabilities remain below 20 percent.
- » Improvements in the overall economy have resulted in a stronger job market. Recently, job growth has reduced much of the slack in the labor market, which had many more people looking for jobs than were available.
- » The tighter job market has begun to put some upward pressure on wages, although the economic data do not yet show consistent wage increases.

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01/15/2016

Economic Outlook

- » There has been very little inflation this year – less than 1% – primarily due to modest per-job wage growth and low oil prices. Wage inflation, one sign of an economy operating at its fullest capacity, is not expected to materialize over the next 9-12 months.
- » For the State, the increase in Personal Income withholding has had more to do with the increase in the number employed rather than increases in wages of those already employed. Nonetheless, if the pace of employment growth stays on track, it will greatly improve the prospects for stronger wage growth this year.
- » The State's employment outlook has stabilized. The economy is expected to produce a net gain of 100,000 to 105,000 jobs in 2016.
- » Last fiscal year, non-farm employment grew by 97,900 jobs, which was similar to the 96,300 jobs added the previous year.

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Economic Outlook

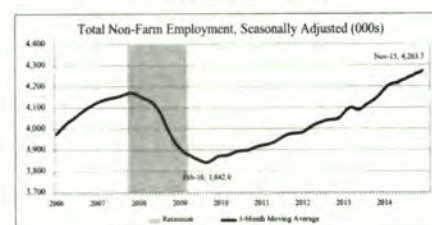
- » Through the first five months of the current fiscal year, non-farm employment appears to have increased by 40,600 jobs (using preliminary data for November).
- » This solid pace of employment growth will reduce slack in the State's labor market and should begin to impact individual wages. Throughout the recovery individual wage growth has lagged behind other improvements in the economy.
- » For the State, key economic indicators including Employment, total Personal Income, and Retail Sales are growing within the bounds expected in the revenue forecast.
- » The greatest economic risks continue to come from a global economic downturn, as well as other international risks such as the ongoing volatility in the Middle East.

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01/15/2016

Economic Outlook



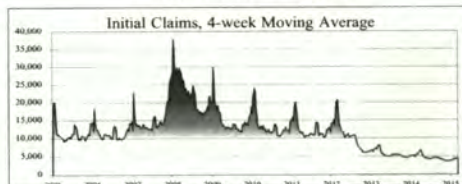
Because the unemployment rate can sometimes be misleading with respect to economic conditions, we focus more on the employment level and employment growth rate. The chart shows how total non-farm employment has been on a modest, yet steady growth path since employment bottomed-out in February 2010.

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Economic Outlook



Shaded area indicates initial claims after policy changes enacted in 2013.

Initial jobless claims (i.e., new claims from job losses) are a leading indicator of where the economy is headed and are related to the unemployment rate, which was 5.7% in November 2015.

Initial claims returned to pre-recession levels in 2011. Policy changes in 2013 further reduced claims. The new trend levels do not indicate a change in the economy's direction.

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01/15/2016

Revenue Outlook

- » With the State's economy on a path of solid, modest growth similar to the overall national economy, baseline revenue growth (adjusted for tax changes) should continue to follow the trend it has been on the last 12-18 months.
- » Since May of last year when the current consensus revenue forecast was developed, there has been little change in the national or State economic outlook.
- » Revenues have tracked closely to the consensus revenue forecast. If April collections meet expectations, the current target surplus should not change significantly.
- » It is important to note that April collections are nearly twice the amount of the other months and consist of potentially-volatile sources such as final income payments and refunds.
- » April almost always holds a surprise, and what happens in April will determine both how we finish the fiscal year and what type of revision might be needed for next fiscal year's revenue forecast.

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01/15/2016

Conclusions	Table and Chart Sources
<ul style="list-style-type: none">» Revenue collections through December are 1.2% above the consensus target; income collections are the main source for the target surplus.» As the economy continues to move forward, the pressure on job pay should begin to build. Growth in pay has been stagnant but as the economy nears full-employment and the unemployment rate drops to five percent we should begin to see some movement on wages.» Inflation has been minimal with falling gas prices and stagnant wage growth. The forecast doesn't expect inflation to reach or surpass 2% until the end of 2016 or possibly into 2017.» Through the first half of the fiscal year, General Fund revenues met forecast expectations. There has been little change in the State's economic forecast, which means the forecast for the rest of the fiscal year should stay on track.» Only a big swing in April collections could impact this fiscal year's revenue forecast or lead to significant revisions to next year's forecast.	<ul style="list-style-type: none">» Slide 2: NC Department of Revenue, compiled by the Fiscal Research Division» Slide 5: Fiscal Research Division calculations and estimates based on data provided by the NC Department of Revenue» Slide 6: The Conference Board Consumer Confidence Index» Slide 7: U.S. Board of Governors of the Federal Reserve System» Slide 8: Bureau of Economic Analysis; NC Department of Revenue» Slide 13: U.S. Bureau of Labor Statistics» Slide 14: U.S. Bureau of Labor Statistics

Mr. Overman provided highlights from Dr. Boardman's report:

- The economic outlook is on solid footing with ongoing improvements in employment expected;
- Sales tax growth has been good for us, but at the State level, they are \$100M below target; Mr. Overman noted that we probably budget more conservatively;
- The State's economy is at its strongest since the recession ended six and a half years ago; the pace of growth remains moderate; we have tracked closely with the national recovery from the recession.

Mr. Overman noted that overall, things are positive and continuing to pick up; we will be going through the budget process again looking at it very conservatively.

Chairman Comer asked if there were any anticipated issues with current budgets; Mr. Overman and Ms. Meshaw commented that they do not see anything at this point to be concerned with.

WATERWAYS MANAGEMENT COMMITTEE

Chairman Comer noted that the bylaws are pretty straight-forward; we had set a goal of 60 days from the January meeting to make appointments and commented that if anyone has anyone in mind, to get the applications in, and we could review at the February or March meeting.

CARTERET COUNTY WATERWAYS MANAGEMENT COMMITTEE BYLAWS
ARTICLE I General
<p>Section 1. Name. The Committee is established under the authority of the Carteret County Board of Commissioners. The Committee shall be known as the Waterways Management Committee.</p> <p>Section 2. Purpose. The waterways of Carteret County are crucial to the future of development and maritime life. In order to ensure the health and maintenance of the County's waterways and continue to promote commerce and recreational opportunities, the duties of the Waterways Management Committee includes, but are not limited to:</p> <ul style="list-style-type: none">a. Hold community meetings throughout the County to educate the public as well as seek their input on the waterways dredging and maintenance needs of the County;b. Formulate and maintain a schedule of needed waterway maintenance, recognizing that some waterways will need attention more frequently than others;c. Develop funding options and sources in order to accomplish needed dredging;d. Work closely with and call on resources currently available through local, State, and Federal agencies/groups in determining the needs and solutions for the County's waterways; ande. Cooperate closely with the U.S. Corps of Engineers, the N.C. Division of Water Resources and other Federal and State agencies in pursuit of projects and funding that may benefit the County's waterways.
ARTICLE II Membership
<p>Section 1. Members. The Committee is composed of not less than seven voting members. The voting membership shall consist of a delegate from within each Commissioner's district, to be selected by the respective Commissioner. Ex-officio non-voting members shall include a County Commissioner, the County's Public Works Director, the General Services Director, the Shore Protection Officer, and the County Manager.</p> <p>Section 2. Terms. Committee members are eligible to be recommended for appointment by the Carteret County Board of Commissioners for three (3) year terms, except in making the initial appointments, the County Commissioners shall provide for staggered terms, members can serve for a maximum of two terms. If an appointment is made to a vacancy where the term of office has not expired, that appointment shall fulfill the remainder of the unexpired term.</p>
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<p>Section 3. Compensation. Committee members shall not be compensated for the performance of their duties as members of the Committee.</p> <p>Section 4. Resignation. Committee members shall resign by submitting a written and signed resignation to the Committee Chair for referral to the Carteret County Board of Commissioners.</p>
ARTICLE III Meetings
<p>Section 1. Regular Meetings. Regular Committee meetings shall be held monthly on a set date and time established by the Committee. With prior written notice, the Committee may, by majority vote, change the day of the month on which a regular Committee meeting will be held in order to accomplish the work of the Committee. All regular and special meetings of the Committee shall be open to the public as provided by law.</p> <p>Section 2. Special Meetings. Special Committee meetings may be called by the Chair or any majority of Committee members, for good cause and upon giving at least 48 hours' notice to all members of the Committee.</p> <p>Section 3. Attendance. Any Committee members who miss two consecutive meetings may be subject to removal by the Board of Commissioners.</p> <p>Section 4. Quorum. A quorum of the Committee is required to conduct any official business at a regular or special Committee meeting.</p>
ARTICLE IV Officers
<p>Section 1. Officers. The officers of the Committee shall be the Committee Chair and a Vice Chair, to be elected from the members of the Committee.</p> <p>Chair. The Chair shall preside at all meetings of the Committee, sign any document as representative of the Committee, appoint sub-committees when deemed necessary, call special meetings, and perform such duties as appropriate for office of Chair.</p> <p>Vice Chair. Shall perform the same duties as Chair in his/her absence.</p> <p>Section 2. Elections. At the regular Committee meeting in December of each year, the voting members shall present nominations to the Committee for each of the two offices. Both officers shall be elected at the regular Committee meeting in January of each year by a vote of the Committee members present.</p> <p>Section 3. Terms. Both officers shall serve for a term of one year.</p>
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ARTICLE V
Official Actions of the Committee

Section 1. General. The Committee shall act as an Advisory Committee responsible for making recommendations to the Board of Commissioners to include prioritizing recommended dredging and maintenance projects.

Section 2. Recommendations. All official recommendations of the Committee shall be approved by an affirmative vote by a majority of the Committee members present at a regular or special Committee meeting.

ARTICLE VI
Committees

Section 1. Standing Committees. The Committee shall appoint committees as needed. Each standing committee should consist of at least three members, all of whom shall be appointed by the Chair of the Committee.

ARTICLE VII
Committee Records

Section 1. General. All official records of the Committee shall be kept at the Carteret County Manager's Office and be made available for public inspection during regular business hours, as provided by law.

ARTICLE VIII
Conflict of Interest

Section 1. General. Any member of the Committee who has a conflict of interest concerning a situation in which a person, such as a public official, an employee, or a professional, has a private or personal interest sufficient to appear to influence the objective exercise of his or her official duties, shall so inform the Committee before participating in discussion and shall refrain from voting on the matter.

ARTICLE IX
Amendments

These bylaws may be amended at a regular meeting of the Committee by a majority vote of the Committee. All amendments are subject to the approval of the Carteret County Board of Commissioners.

Date Approved: January 11, 2016

Chairman Comer provided Commissioners with the following document in order to provide some agreed-upon direction and set the foundation going forward. Chairman Comer noted that he sees the Waterways Management Committee doing the same as a transportation improvement plan; there is a lot of work to be done to get to where we want to go. There are some State monies available with matching monies, but before you spend the money, you need to know how and where the money needs to be spent. Permitting is another area that requires a lot of attention. Chairman Comer noted that what he hopes from this Committee is to get ahead of the curves, identify our resources, rank and categorize them, get available permits to do the work, and could prove to be a model for the east coast on how to manage waterways.



WATERWAYS MANAGEMENT COMMITTEE

NOTE FROM CHAIRMAN COMER:

Essentially these original efforts will look like a Transportation Improvement Plan. I refer to it as our WIP (Waterways Improvement Plan). I would like to solicit the efforts of the ECC in doing a lot of management and leg work for the initial phases. I have talked with Patrick Flanagan (most of you may know him); he works with the ECC and is their Planner. He has received accolades for his work in transportation planning for our area. He would be a tremendous help kicking this committee off.

FUNCTION	DESCRIPTION	AUTHORITY
PURPOSE	The waterways of Carteret County are crucial to the future of development and maritime life within the County. Over the years, State & Federal appropriations have significantly declined. In order to ensure the health and maintenance of our waterways – one of the County's greatest assets – and continue to promote commerce and recreational opportunities, a Waterways Management Committee for Carteret County was formed by the Carteret County Board of Commissioners and bylaws were approved at their January 11, 2016 regular meeting of the Commissioners.	Board of Commissioners
PLANNING	Advance planning is crucial to the successful maintenance of the County's waterways. The Committee needs to be in continual consultation with local, State and Federal agency representatives during their planning process. Planning should include consultation with users of the waterways and the general public to develop and implement programs that will benefit the waterways of the County.	Waterways Management Committee & Board of Commissioners
OUTREACH	Members are expected and encouraged to liaison with maritime stakeholders, members of the public, local, State and Federal agency representatives as they are crucial to the successful maintenance of our waterways.	Waterways Management Committee
DUTIES	Duties of the Waterways Management Committee include, but are not limited to the following:	Waterways Management Committee
DUTIES...continued	<ul style="list-style-type: none">• Hold community meetings throughout the County to educate the public as well as seek their input on the waterways dredging and maintenance needs of the County.• Meet throughout the County to access the communities' thoughts on waterways of importance:<ul style="list-style-type: none">✓ Simulate this into a list that ranges from the far east to far west.✓ Develop and give some semblance of importance to each resource.✓ Rank the resources upkeep and maintenance on a scale to determine first efforts.✓ Determine a ranking of importance for a continuance maintenance plan.• Formulate and maintain a schedule of needed water maintenance, recognizing that some waterways will need attention more frequently than others.• Develop a funding plan that includes options and sources in order to accomplish needed dredging• Work on a funding structure for multiple scenarios:<ul style="list-style-type: none">✓ Manage funding for primary County resources.✓ Assist in funding any lower ranking resources.✓ Assist municipalities in an effort to procure funding for a resource they may see important to their areas (i.e., but are willing to push forward with funding resources of their own).• Work closely with and call on resources currently available through local, State and Federal agencies/groups in determining the needs and solutions for the County's waterways.• Cooperate closely with the U.S. Corps of Engineers, the N.C. Division of Water Resources and other Federal and State agencies in pursuit of projects and funding that may benefit the County's waterways.• Begin permitting:<ul style="list-style-type: none">✓ Start efforts to assemble information and data to begin permitting process.	

RECOMMENDATIONS	✓ Steer efforts to assemble blanket permits for all County waterway resources. ✓ Work with municipalities to partner with or enter in to any joint agreement needed to manage and help procure funds and service to maintain resources in their respective areas.	
	The Committee will serve as an Advisory Committee responsible for making recommendations to the Board of Commissioners which will include prioritizing recommended dredging and maintenance projects.	Members/Waterways Management Committee
OFFICIAL ACTIONS	All official recommendations of the Committee shall be approved by an affirmative vote by a majority of the Committee members at a regular of special Committee meeting and presented to the Carteret County Board of Commissioners.	Members/Waterways Management Committee
	Upon the receipt of the recommendations of the Committee, all official actions shall be considered, reviewed and approved by the Carteret County Board of Commissioners.	Board of Commissioners

Commissioners took a minute to review the document.

Chairman Comer noted that the East Carolina Council has a great planning department; he has asked if this is something they can help us with; Chairman Comer asked that Mr. Overman follow-up to determine what kind of a fee would be involved; would be a great asset to this Committee. Commissioner Farrington agreed; could prove to be a great asset and guide us in the right way.

Commissioner Robinson thanked the Chairman for bringing the group together, noting that the issue is close to him and all of Carteret County; it is our most important natural resource. Commissioner Robinson noted that the needs are not currently adequately being met, and appreciates the steps being taken.

Commissioner Crittenton stated that she agrees with what Commissioners Farrington and Robinson have stated. We now have three groups working on this issue. There are areas that have been overlooked which affects jobs especially for the small fishermen; bringing in individuals who know the waterways is critical; it is an opportunity that we have not had before and is very visionary.

Chairman Comer noted that there has been some discussion about using a ¼ cent sales tax; if we put this group together, it will complement and build confidence in what we are trying to do.

Motion: Commissioner Smith made a motion to appoint Commissioner Robinson to the Committee; seconded by Commissioner Farrington. **Motion was unanimous.**

DIRECTION: COUNTYWIDE CONSOLIDATED EMS

Board of Commissioners
Robin V. Comer, Chair
Mark Mansfield, Vice-Chair
Elsine O. Crittenton
Jimmy Farrington
Terry Frank
Jonathan Robinson
Bill Smith



County Manager
W. Russell Overman
Clerk to the Board
Rachel S. Hammer

MEMORANDUM

TO: Board of Commissioners
FROM: W. Russell Overman
RE: Consolidated EMS
DATE: February 8, 2016

John has done an excellent job in putting this proposal together as requested by the Board. He then followed his plan and the direction of the Board by seeking input from the affected squads and as a result, has made modifications to the proposal that while more costly than the original proposal there is no doubt it is a higher level of service as originally proposed or what is presently in place.

Certainly the Board has no obligation to change anything. If the will is not there to make changes this extensive, you could require all of the squads funded by fire or EMS taxes increase their level of service to paramedic level by some date such as July 1, 2017. Tax rates will probably need to be increased for some or all of the districts and the pool of qualified applicants/employees may very well be stretched.

Staff stands ready to assist the squads and the Commissioners in implementing any plan you may direct.

COUNTY OF CARTERET
DEPARTMENT OF EMERGENCY SERVICES

John C Ford
Emergency Services Director



Office 252-222-5841
Mobile 252-515-1038
john.ford@carteretcountync.gov

DATE: Thursday February 4, 2016
TO: Board of Commissioners
FROM: John Ford, Director of Emergency Services
SUBJECT: EMS proposal update

Background
This Emergency Medical Service (EMS) system overview was requested by the Carteret County Board of Commissioners at the May 2013 and 2015 Budget sessions. Commissioners requested that Emergency Services staff conduct a full overview of our current system with options for improvement.

Proposal Update
After meeting with all EMS and Fire Chiefs of the districts that are affected by the 2015 EMS Proposal (except IB/SP and PKS), we have made changes to the proposal that will provide a Paramedic in each district. The majority of the talking points coming from meeting with the Chiefs of each department were a lack of trust with the county based on past history and the lack of having a Paramedic stationed in all districts for better response times at the Paramedic level. The new version of the proposal keeps most of the original proposal: there is still a role for volunteers, all equipment will stay in each district, and hiring of all current qualified EMTs.

- After consideration of the concerns, the following changes were made to the proposal:
- Instead of providing one full-time EMT and one part-time EMT-1 at Harkers Island we have added a full Paramedic unit to Harkers Island 24/7.
 - Instead of providing 2 part-time EMTs for 12 hour shifts at Mill Creek we have added a full Paramedic unit to Mill Creek 24/7.
 - We will reposition the Paramedic QRV and placed this Paramedic at South River 24/7.
 - The above realignments now provide primary Paramedic units to Beaufort (2), Broad & Gales Creek, Harkers Island, Mill Creek, Otway and Sea Level.
 - There will now be a primary 24/7 Paramedic for South River and a Paramedic QRV Monday through Friday 8-5 in Beaufort.
 - The number of new full-time employees needed to support system increased from 27 to 35.
- The impact of the budget is as follows:
- The updated proposal now has 7 fully staff Paramedic unit stations instead of 5 so the salary worksheet for full-time paramedics and EMTs has to be multiplied by 7.
 - The part-time salary worksheet has to be multiplied by 7 in order to provide for sick and vacation of the full-time staff.
 - Removed the salary for the full-time EMT at Harkers Island and removed the 3 part-time EMTs for Harkers Island and Mill Creek.
 - The updated proposal increased the budget from \$3,465,158 to \$4,027,959, a difference of \$562,801.
 - The updated proposal will be an increase over the existing budget of \$96,014.
 - The majority of the increase is in compensation. The increase, in compensation, of the updated proposal from the previous proposal is \$465,277.

Even though there is an increase to the budget from the system that is in place now to the updated proposal of \$96,014, this updated proposed system will allow for the citizens and visitors of Carteret County to have access to the highest level of care.

Due to the size of the System Overview & Improvement Plan, it is being incorporated into these minutes by reference. A copy will be retained in the County Manager's Office.

Chairman Comer shared that Commissioners had given John Ford a task of seeing how to improve the EMS services in the down east area; he presented us a plan a couple of months ago and has since gone out and met with individual departments. Chairman Comer turned the conversation over to Mr. Ford.

Mr. Ford noted that he met with Chiefs and some Board Members of Broad & Gales Creek EMS, Mill Creek Fire & EMS, Beaufort EMS, South River Fire & EMS, Otway, Harkers Island, and Sea Level. Mr. Ford noted that the three major take-aways from the meetings were that they really did not want to see the Paramedic go away; they wanted to maintain that function within their agency; there was also overall distrust of the County on past initiatives and whether the County would follow through on this initiative, and they did not feel like the plan was that much of an improvement. Mr. Ford noted that the proposal was updated to show a paramedic in each district, and the budget was updated to reflect that.

Chairman Comer called for comments from Commissioners.

Commissioner Robinson noted that he appreciates the efforts in doing the study, and shared that Mr. Ford has pointed out both inefficiencies and positives. Commissioner Robinson noted that he was a member of the Board when the County paramedic program started. Commissioner Robinson noted that the program has been successful; the people in Emergency Services are much better trained now and are performing at a higher level, and are better equipped. Commissioner Robinson noted that these groups are adamant about maintaining their existing community-based organizations. Commissioner Robinson noted that he hopes that we can continue to work with them in the same capacity as we are now. Commissioner Robinson noted that should the County want to continue funding this County paramedic program, it would raise the level of service; by the departments stepping up on their own, it could potentially free up some of the County paramedics to serve in these underutilized areas.

Commissioner Crittenton stressed that this was a proposal from the beginning not a plan that was ready for adoption; she noted that having been out with the constituents, the communities are pretty clear in their feelings that they do not want to lose control; our goal was to improve efficiency and improve the chance of survival. The goal for the proposal was to try to give the rural areas that are served in districts the same benefits that the municipalities have; if we do anything, it should be voluntary. Commissioner Crittenton noted that our charge according to General Statutes is that we provide equal care for citizens of Carteret County. Commissioner Crittenton noted that Mr. Ford took the original proposal on the road to the Chiefs and into the districts; before we finalize anything, we should do the same thing by taking the current proposal into the districts; she feels that we are moving in the right direction, and agrees with Mr. Ford's proposal, but we need to let everyone know what the potential impact to taxes is going to be.

Chairman Comer noted that lives trump money; the proposal is a good proposal; we try to form our own best opinions and do the right thing for citizens; we learned that you need to listen; it tempers your opinion; it can also change your mind. Chairman Comer noted that districts want to keep the community-based services as they are. They are paying the bills; the moral thing to do for the County is to help folks with limited resources; he does not see any injustice if we require those to step-up paramedic services to do that. Chairman Comer noted that Mr. Ford should follow-up with all departments; will respect community's wishes, but sees no reason for it not to go to paramedic level.

Commissioner Crittenton asked if we want to establish a timeline to get information to the affected squads before we go into the budget process this year.

Motion: Chairman Comer made the motion that we ask the departments of Harkers Island, Otway, Broad & Gales Creek, and Pine Knoll Shores to put themselves at paramedic level by the July '17 budget time; as part of this proposal, he would like to instruct John Ford to follow back up with the departments so that they know what is on the table. Motion seconded by Commissioner Robinson; **motion unanimous.**

Commissioner Farrington commented as it relates to Pine Knoll Shores, to let John Ford look at Salter Path as it is still an unincorporated area and how to pursue that in the future.

BREAK

WATER DISTRICT DISCUSSION

Water District

- Created in 2010 with first taxes levied in 2011
- 1,118 active customers with fewer than 100 residents where water is not available
- About 400 paid reduced connection fee and never connected
- Water Fund budget \$895,000
 - \$571,000 operations and \$324,000 from District tax
 - District tax is \$.055 and generates \$253,000 plus \$79,000 Sales Tax
- Water lines by property and connected – service fees and tax – potable water and fire protection – fire hydrant or not – fire hydrant may mean insurance reduction
- Water lines by property and not connected – tax – potable water available and fire protection – fire hydrant or not – fire hydrant may mean insurance reduction
- No water line – tax – paying for potable water availability in future possibly and fire protection – no hydrants because no water – no insurance reduction
- Session Law 2013-402 allows the county to remove territory from service district after making several findings, preparing a report and holding public hearing
- Everyone in the District is receiving some benefit from the water district
- Would caution removing anyone from the district

Mr. Overman noted that Commissioners have background information within their packet; wanted to update a few things regarding the County's water district; there are actually two districts; one of them is in the Merrimon-South River community, which is not included in this discussion. This is the one that was created in 2010 – North River/Mill Creek Water district. Mr. Overman displayed a map outlining the water district. The first taxes were levied in 2011. The primary reason the tax district was put in place was because the operating revenues that were being generated by the water fund were not sufficient to cover the cost; rather than raise rates or take money from the general fund, the Commissioners decided to put the tax district in place. When it was created, the water fund budget was about \$895,000 with about \$571,000 from operations and about \$324,000 coming in from the district tax, so it really was not fair for the General Fund through the entire County to be subsidizing the water district.

Mr. Overman noted that there are hydrants along the lines throughout; they are paying for their water based on their usage and they are paying property taxes; they are getting public water; they are getting fire protection. Mr. Overman noted that there are about 400 that have paid the connection fee, but never connected. When the reduced connection fee was offered, they signed up almost as an insurance policy so they would have it if needed. Mr. Overman shared that if they have a hydrant within 1,000 feet, they are receiving a benefit from an insurance perspective. Some have no water line to their house; there are not that many of those; we have fewer than 100 houses where water is not connected. Mr. Overman noted that when it was created, it was created that everyone would receive a benefit; it is just not economically feasible that a waterline would run down some of these roads; however, if a subdivision was built, it might be more justifiable to run the waterline. Mr. Overman noted that he was not sure why some areas were brought in to the district and why some were excluded.

Chairman Comer asked if this was done through a public hearing; Mr. Overman confirmed that there had to be a public hearing held.

Commissioner Robinson shared that if he remembers correctly, they did a survey; you had to have a high percentage participation of residents to make it economically feasible; funding was available through maybe the Farmers Home Administration (or USDA Rural Development). Chairman Comer asked if Commissioner Robinson remembered any push back. Commissioner Robinson noted that he did not; the decision was based on the survey results and the interest of the people.

Ms. Meshaw noted that it required mailings to everyone in those districts, and that there was a public hearing held for the budget.

Commissioner Crittenton noted that the parties involved have changed over time; the prior Commissioner commented that his phone was ringing off the hook because of the water issue. Commissioner Crittenton noted that she gets calls; they don't understand why Weyerhaeuser is not taxed as property owners; not an equal taxation. Commissioner Crittenton noted that once you get off Highway 101, the properties behind that do not get serviced by water either because of the cost or disputes crossing over property.

Chairman Comer asked what the question was on the table; Mr. Overman asked if there was a desire to move forward with a process at looking at removing any of these properties from the water district; i.e., we need guidance as to what you want us to look at. Chairman Comer noted that a bigger question may be to look at adding properties instead of taking some out.

Commissioner Crittenton noted that it is going to be a recurring problem for whoever is sitting in District 5; having hydrants available is a benefit, but she does not like the exclusion of some of the properties from taxes. Chairman Comer asked that Mr. Overman research the history to determine why they were excluded; once we understand that, tell us what efforts would be to get



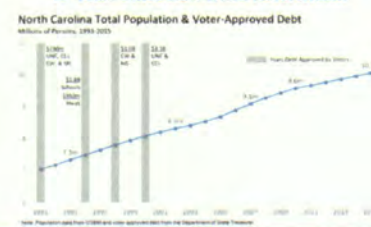






them included. Commissioner Crittenton also asked that Mr. Overman provide a scripted answer that could be provided to those inquiring.

Commissioner Robinson noted that any new subdivision should be told they have to connect to our water system.

CARTERET COMMUNITY COLLEGE DISCUSSION

Mr. Mitch Mangum, Chairman of the College Board, thanked the Commissioners for the opportunity to speak and share the information for a new hospitality and culinary school. Mr. Mangum noted that it has 100% backing of the trustee board made up of lifelong residents, retired businessmen, local businessmen, doctors, and lawyers. Mr. Mangum asked that Commissioners look at this proposal, noting that they are ready to move forward to help the County and help the State overall.

Mr. Kerry Youngblood, President of Carteret County Community College, noted that the driving force behind this request is the Connect NC Bond proposal, and noted that his first four slides were from the Governor's office; no new taxes is one of the most important notes; it has been 15 years since the last bond referendum; we have the lowest interest rates for loans that we have seen; the bond is \$2B; a little over half of that goes to education.

 <p>Carteret County Commissioner's Retreat</p> <p>February 8, 2016</p>	 
 <p>Investing in Infrastructure</p> <ul style="list-style-type: none"> • Targeted, long-term investments • Historically low interest rates • Will not jeopardize our credit ratings • No new taxes • Broad, bipartisan public support 	 <p>15 Years Since Last Bond Referendum</p> <p>North Carolina Total Population & Voter-Approved Debt</p> 
 <p>Now is the Time</p> <p>Interest Rates on Government Bonds at Historic Lows</p> 	 <p>Questions?</p> <p>connect.nc.gov</p> 
 <p>Questions about the bond?</p> 	 <p>Where are we and why Hospitality/Culinary</p> <p>Since 1980 Census reports show:</p> <ul style="list-style-type: none"> • Age 55 years of age and older - largest segment growth in Carteret County • Age 44 years old and younger continues to be a declining segment • Matching our programs to our demographics
 <p>Meeting the Population Needs</p> <ul style="list-style-type: none"> • Marine/Mariculture (Core Mission) <ul style="list-style-type: none"> • NCMartec • Aquaculture • Marine Biology <ul style="list-style-type: none"> • Regional Universities 	 <p>Meeting the Population Needs</p> <ul style="list-style-type: none"> • Healthcare/First Responders <ul style="list-style-type: none"> • CNA I and II • LPN • ADN (two year RN degree) • Respiratory Therapy • Radiography • Medical Assisting • Medical Office Administration/Medical Coding Professional • Emergency Medical Sciences (EMS) • Emergency Medical Technician • Phlebotomy Technician • Fire Academy • Basic Law Enforcement Training (BLET)

Carteret Community College

Number one spending characteristic of our largest demographic is Hospitality and Culinary

Restaurant Industry Sales
in billions of current dollars

Year	Sales (billions of current dollars)
1994	42.5
1998	51.9
2000	62.9
2002	67.2
2004	70.7
2006	76.2
2007	79.2

(Source: National Restaurant Association's Restaurant Industry Monitor)

Carteret Community College

National Statistics

- 1 million restaurants nationwide
- \$709 billion in sales
- 14 million employees
- 10% of overall workforce in the United States
- Of every food dollar spent \$.47 is spent in restaurants
- 90% of the restaurants have 50 employees or less
- 90% of the restaurants are single unit operations

Carteret Community College

North Carolina Statistics

- NC Restaurant Association projects 20.5% job growth in the next 8-10 years
- Hospitality is 11% of the state workforce
- Carteret County hotel/motel occupancy over the past year on a monthly basis has increased between 3%-18%
- Carteret County condominium occupancy over the past year has increased between 4% - 22%
- Hospitality is one of the largest industries in Eastern North Carolina

Carteret Community College

National Restaurant Association Statistics

- 69% of consumers are more adventurous in culinary interests
- 65% say that good service and well-trained staff is a key attribute for satisfaction
- 69% of consumers say that they are more likely to visit a locally owned and flavored restaurant

Carteret Community College

Culinary and Hospitality Enrollment

Year	Enrollment
2000	100
2001	110
2002	120
2003	130
2004	140
2005	145
2006	148
2007	150
2008	150

Carteret Community College

Culinary/Hospitality Enrollment Projections

Year	Enrollment
2000	100
2001	110
2002	120
2003	130
2004	140
2005	145
2006	148
2007	150
2008	150
2009	160
2010	170
2011	180
2012	190
2013	200
2014	210
2015	220
2016	230
2017	240
2018	400

Carteret Community College

What Specifically are we Seeking

Carteret Community College

Carteret Community College

What Specifically are we Seeking

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Carteret Community College

What Specifically are we Seeking

\$5,639,620 Total Project

How do we get to this number?
14,780 square feet at \$279/square foot = \$4,123,620

Construction Breakdown:

- \$2,670,000 State Bond
- \$1,453,620 County Funds
- \$4,123,620 Total Construction

Land Breakdown:

- \$ 791,000 Currently Owned
- \$ 725,000 Purchase of Final Plot
- \$1,516,000 Total Land

\$5,639,620 Total Project

Carteret Community College

What Specifically are we Seeking

Carteret Community College

Carteret Community College

Thank you for your consideration

Mr. Youngblood commented that they are choosing hospitality/culinary because the age group of 55 and older is the largest segment growth in Carteret County; age 44 and younger continues to decline; important to match programs to demographics.

Commissioner Crittenton commented on the ADN Program (Associates Degree in Nursing); some states are saying we can do that at a local college. Commissioner Crittenton noted that to pursue that would allow our communities to grow our own RNs. Mr. Youngblood noted that they are looking at it; they currently have partnerships with four-year schools. We have looked at our population and have determined what is missing. Mr. Youngblood shared that looking at projected employment for restaurant industry sales from 1970 to 2015, the 2015 figure in billions is \$709.2 nationally.

Mr. Youngblood shared that the North Carolina Restaurant Association projects 20.5% job growth in the next 8-10 years - one of the largest categorical growths; hospitality is 11% of the State workforce; includes a lot of seasonal people. Carteret County hotel/motel occupancy over the past year on a monthly basis has increased between 3% to 18%; the smallest we have seen is 3%; condominium occupancy has increased from 4% to 22%; hospitality is one of the largest industries in eastern North Carolina. Mr. Youngblood also reviewed the National Restaurant Association statistics. Mr. Youngblood noted that if the State bond passes and County support is provided, he is confident that they will double their enrollment in three years; 30% by next fall.

Commissioner Crittenton asked how many of the graduates stay locally; Mr. Youngblood noted that he estimates that 83% work in Carteret County; 90% in Carteret or a continuous county.

Commissioner Smith asked for an overview of the programs involved. Mr. Youngblood noted that it includes bakery and pastry arts, food science, certification in handling, how to wait/how to serve; hospitality was added five years ago; teaches management, accounting, room reservation accounting, a law class, point-of-sale software systems, and reservation systems.

Commissioner Farrington inquired what kind of degree is provided in hospitality, and what is our competition. Mr. Youngblood noted that it is a two-year degree in management; the closest competitor is Lenoir; they have had a culinary program for some time; the other one is at Coastal; they have purchased a closed Fudruckers.

Mr. Youngblood showed Commissioners the site they want to build on; they are seeking County funds to purchase the land; they would level the existing old building. Mr. Youngblood noted that the total project cost is \$5,639,620; the building would be 14,780 square feet; looking for \$1,453,620 in County funds plus approximately \$725,000 to purchase the final plot or \$2.178M from the County; all contingent upon the bond passing. Mr. Youngblood noted that he would ask for consideration of the land purchase even if the bond fails.

Mr. Youngblood shared that the State has said that if the Carteret County Commissioners sign off on this, they can release the planning money. Mr. Youngblood noted that they already have a little over \$100K in planning money; they can release that money immediately that would allow them to start the process for an RFP to look for an architect and engineers. Mr. Youngblood noted that they could spread the County requested funds over three fiscal years including this current year; they will not complete the building until about 24 months from now - spanning three fiscal years.

Commissioner Crittenton asked if they would need one-third of the funds by June 30th; Mr. Youngblood responded that is correct; they need to finalize the land.

Chairman Comer noted that making monies available this year would require a budget amendment, then spreading the remaining \$1.4+M over 2016-17 and 2017-18 budget years.

Motion: Commissioner Frank made a motion that the County is willing to commit \$2,178,620 to this project upon passage of the statewide bond referendum; with monies being paid over three fiscal budgets, and authorizing the staff to sign the State-appropriate forms. Commissioner Farrington seconded; **motion passed unanimously.**

SHORT RECESS

OCCUPANCY TAX SETTLEMENT AGREEMENT DISCUSSION

Mr. Wheatly noted that there is an attempt by some counties to get occupancy tax monies that have been collected from on-line booking companies. Mr. Wheatly noted that the resolution has been reviewed by Mr. Carl Tilghman. Mr. Wheatly advised that it is appropriate and asked

Commissioners to sign it and we can collect the monies. Mr. Wheatly noted that it is approximately \$19,000 in back taxes and to collect monies going forward.

Board of Commissioners

Robin V. Comer, Chair
Mark Mansfield, Vice-Chair
Elaine O. Crittenton
Jimmy Farrington
Terry Frank
Jonathan Robinson
Bill Smith



County Manager
W. Russell Overman
Clerk to the Board
Rachel B. Hammer

MEMORANDUM

TO: Board of Commissioners
FROM: W. Russell Overman
RE: Occupancy Tax Settlement Agreement
DATE: February 8, 2016

In 2010 and 2014, the NC General Assembly passed legislation that requires "online booking" companies for lodging to collect and remit occupancy taxes to counties and municipalities. As you can see from the attached agreement these "OTCs" contend the legislation is unconstitutional. This agreement that has been entered into by a number of other NC local governments has the OTCs paying us occupancy taxes from January 1, 2014 going forward in consideration of Carteret County agreeing not to issue any additional occupancy tax assessments for accommodations commencing prior to July 1, 2015. This agreement has the OTCs collectively paying \$19,039.04 for the time period of January 1, 2014 through June 30, 2015 and then filing tax returns and paying the appropriate taxes from July 1, 2015 forward.

Rob will be present to answer questions you might have.
Resolution Agreement Page 1 of 9

RESOLUTION AGREEMENT

This Resolution Agreement ("Agreement") is entered into by and between Orbitz, LLC, Trip Network, Inc., TVL LP (f/k/a Travelocity.com LP), Expedia, Inc. (including its subsidiary, Travelscape LLC), Hotels.com L.P., Hotwire, Inc., and Egencia LLC (individually "OTC" and collectively "OTCs"), and the County of Carteret ("Carteret").

WHEREAS, the OTCs contend that amendments to N.C. Gen. Stat. §§ 105-164.4(a)(3), 153A-155(c), and 160A-215(c) enacted by Session Law 2010-31, § 31.6 and the amendments to N.C. Gen. Stat. §§ 105-164.4(a)(3) and 105-164.4F enacted by Session Law 2014-3, § 8.1(a) and (b) (collectively "the Amendments") are unconstitutional under the United States Constitution and the North Carolina Constitution and in violation of the federal Internet Tax Freedom Act, as amended;

WHEREAS, Carteret contends that the Amendments are lawful and that Carteret has the right to collect occupancy taxes under the terms of the Amendments;

WHEREAS, the parties desire to resolve their dispute without litigation;

WHEREAS, the parties further desire to resolve all past potential occupancy tax liability of the OTCs since 1 January 2011 to Carteret and to adopt a mutually agreeable reporting and remittance methodology on a prospective basis; and

WHEREAS, the parties desire to enter into this Agreement to accomplish the above.

NOW IT IS HEREBY DETERMINED AND AGREED:

1. Each of the OTCs agrees to make the following payments to Carteret:
 - a. For occupancy of accommodations commencing January 1, 2014 through June 30, 2015 which were facilitated by any OTC pursuant to reservations made on or after January 1, 2014 and which are subject to Carteret's occupancy tax ("Carteret Occupancy Tax"), each OTC will pay to Carteret, on or before December 1, 2015, the amount specified on Exhibit A, attached hereto.
 - b. For occupancy of accommodations commencing July 1, 2015 through November 30, 2015 which were or are facilitated by any OTC pursuant to reservations made on or after January 1, 2014 and which are subject to Carteret Occupancy Tax, each OTC will pay to Carteret, on or before January 1, 2016, Carteret Occupancy Tax on the gross receipts derived from such rentals, as defined in N.C. Gen. Stat. § 105-164.4F(b), less any amounts of occupancy tax sent by the OTC to retailers for such rentals.
2. For occupancy of accommodations commencing on or after December 1, 2015 which are subject to Carteret Occupancy Tax, each OTC will remit Carteret Occupancy Tax on the gross receipts derived from such rentals, as defined in N.C. Gen. Stat. § 105-164.4F(b) when returns for such taxes are due. Each OTC will report and remit all such Carteret Occupancy Tax through one of the following methods, at the option of each OTC:
 - (i) Accommodation Retailer Remit: All Carteret Occupancy Tax will be reported and remitted to the retailers of the accommodations in accordance with N.C. Gen. Stat. §§ 105-164.4(a)(3), 105-164.4F(c), 153A-155(c), and applicable county ordinances.
 - (ii) Partial Direct Remit: All Carteret Occupancy Tax will be partially reported and remitted to the retailers of the accommodations for further remittance to Carteret and partially reported and remitted directly to Carteret. Specifically, the portion of the Carteret Occupancy Tax not reported and remitted to the retailers of the accommodations in accordance with N.C. Gen. Stat. §§ 105-164.4(a)(3), 105-164.4F(c), 153A-155(c), and applicable county ordinances must be reported and remitted directly by the OTC to Carteret.
 - (iii) Full Direct Remit: All Carteret Occupancy Tax not reported and remitted to the providers of the accommodations in accordance with N.C. Gen. Stat. §§ 105-164.4(a)(3), 105-164.4F(c), 153A-155(c), and applicable county ordinances must be reported and remitted directly by the OTC to Carteret.
 - (iv) Each OTC will give advance notice to Carteret of its selected option.
 - (v) If registering for occupancy tax purposes or paying occupancy tax, each OTC will do so by January 20, 2016.
3. This Agreement will resolve the OTCs' dispute with Carteret regarding the Amendments and all potential occupancy tax liability to Carteret for occupancy of accommodations facilitated by any OTC commencing prior to July 1, 2015.
4. Carteret acknowledges that this Agreement contains Tax Information, as defined in N.C. Gen. Stat. § 105-259, and its provisions are therefore subject to the disclosure prohibitions of N.C. Gen. Stat. § 105-259, N.C. Gen. Stat. § 153A-148.1, and N.C. Gen. Stat. § 132-1.1.
5. Registering for occupancy tax purposes or payment of occupancy tax does not constitute a concession that the OTCs are engaging in business within any locality in North Carolina or a concession that the OTCs are subject to any other tax or license in North Carolina.
6. Carteret will not issue any assessments to any OTC for Carteret Occupancy Tax for occupancy of accommodations facilitated by any OTC commencing prior to July 1, 2015.

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Resolution Agreement Page 3 of 9

7. The OTCs agree that Carteret has the authority and jurisdiction to audit for purposes of Carteret Occupancy Tax due under paragraphs 1(b) and 2 of this Agreement. Upon request, each OTC will provide to Carteret data and documents, or reasonable access to records, for audit purposes.
8. The parties acknowledge that each side takes a different view of the facts and law related to the matters encompassed by this Agreement. The parties agree that this Agreement is based on the parties' desire to compromise their disputes and is not an indication that either side has expressed agreement with the other side's view of the facts or law. This Agreement does not constitute a concession agreement or admission by any of the parties as to the correctness or applicability of any legal or factual contention by any other party.
9. The parties agree that the Agreement is for the benefit of, and an agreement expressly between, the parties hereto. This Agreement may only be amended by written agreement by all parties hereto. Any such amendment shall be attached hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
10. This Agreement shall be governed by the laws of North Carolina. Each party has cooperated in the drafting and preparation of this Agreement, and it shall be construed according to the plain meaning of its language and not for or against any party.
11. By signing this Agreement, all parties certify that they have read and agreed to all the terms hereof and that they have authority to enter into this Agreement.
12. This Agreement (including each of the rights and obligations set forth herein) shall be binding upon, and inure to the benefit of, the respective present or former, successor, direct or indirect family members, parents, subsidiaries, affiliates, agents, representatives, officials, insurers, employees, officers, directors and shareholders of the undersigned parties. Additionally, any reference in this Agreement to any of the parties shall be a reference to the present or former, successor, direct or indirect, family members, parents, subsidiaries, affiliates, agents, legal representatives, insurers, employees, officers, directors, and shareholders of those entities.
13. Carteret and each OTC acknowledge that they: (a) have consulted with legal counsel about the Agreement; (b) they are entering into the Agreement voluntarily and with an understanding that, except as provided in paragraph 1(a) of this Agreement, Carteret is releasing all of its claims for Carteret Occupancy Tax against the OTCs for occupancy of accommodations commencing prior to July 1, 2015; (c) they have the authority to enter into this Agreement; (d) no other persons or entities have or have had any interest in any claims that are now being released; and (e) they have not sold, transferred, or assigned their claims to any other person or entity prior to entering into this Agreement.

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Resolution Agreement Page 4 of 9

ORBITZ, LLC

By: Robert J. Dzielak
 Print name: Robert J. Dzielak
 Title: W/11/2015
 Date: _____

TRIP NETWORK, INC.

By: Robert J. Dzielak
 Print name: Robert J. Dzielak
 Title: W/11/2015
 Date: _____

TVL LP (f/k/a TRAVELOCITY.COM, LP)

By: General Partner, Travelocity.com LLC
 By: _____
 Print name: _____
 Title: _____
 Date: _____

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Resolution Agreement Page 5 of 9

EXPEDIA, INC.

By: Robert J. Dzielak
 Print name: Robert J. Dzielak
 Title: _____
 Date: W/11/2015

TRAVELSCAPE LLC

By: Robert J. Dzielak
 Print name: Robert J. Dzielak
 Title: _____
 Date: W/11/2015

HOTELS.COM L.P.

By: Robert J. Dzielak
 Print name: Robert J. Dzielak
 Title: _____
 Date: W/11/2015

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HOTWIRE, INC.

By: Robert J. Dzielak
 Print name: Robert J. Dzielak
 Title: _____
 Date: W/11/2015

EOGENIA LLC

By: Robert J. Dzielak
 Print name: Robert J. Dzielak
 Title: _____
 Date: W/11/2015

CARTERET COUNTY

By: _____
 Print name: _____
 Title: _____
 Date: _____

29167942_1 - Carteret

Motion: Commissioner Mansfield made a motion to approve the Resolution Agreement; seconded by Commissioner Frank; **motion passed unanimously.**

LUNCH RECESS

ECONOMIC DEVELOPMENT COUNCIL DISCUSSION

Chairman Comer noted that our current structure with the Economic Development Council ("EDC") is a limited relationship, but the County funds about 85% of the EDC. Chairman Comer

shared that he has been on the Board for five years and we have contributed shy of \$1M. Chairman Comer stated that he really does not know what they have done with that money or what progress they have made; the way it is set up is not fully a transparent program. Chairman Comer noted that because we are putting the money in it, he feels that we need to be touching it more and have more involvement in it; he is asked questions that he cannot answer. Chairman Comer noted that he is going to also compliment them; a couple of us have had a small meeting to talk to the president and officers of EDC and discussed direction; they will admit to some of the same frustrations; they have been trying to make a turn in it; they understand the frustrations.

Chairman Comer noted that he read through the bylaws and assumes other Commissioners have; currently, the County has some appointments on the EDC, but we are putting in the majority of the money, but we do not have majority of the votes at this time. Chairman Comer asked the president to attend, but he said he did not plan to be at the meeting. Chairman Comer noted that what he plans to discuss today, he has forwarded to their president for review and indicated to him that they were talking points.

Chairman Comer noted that he is speaking for himself, but he would not vote to fund EDC the way that it is set up in Carteret County right now. Chairman Comer noted that EDCs in Counties are done in a variety of ways; they form themselves; they fund themselves with some County involvement. Chairman Comer noted that ours started out that way, with the County now being the biggest form of funding. Membership has been steadily declining over the last several years; outside monies other than the County's has been steadily declining with membership declines. Chairman Comer noted that economic development is critical to a County or to a State; we need to strive and look to foster ways to sell ourselves, bring new business and jobs in; you do that by evaluating what your strongpoints are and promoting your strongpoints. Chairman Comer noted that they do not have a director right now; they have an interim director; they are looking at hiring an assistant; it is the perfect time to transition this. Chairman Comer provided the following points:

- There is an EDC director and an assistant;
- Their Board has 13 members; they are broken down as the County Manager, who is not a voting member, a Commissioner appointment (which appears to be voting); they recently changed their bylaws and the College President appears to be voting and then there are 10 regular members; four of those appointed by Commissioners, and six are appointed by the EDC;
- Chairman Comer noted that his interpretation of these bylaws is that those are the members and general membership;
- In addition to that, they may appoint up to an additional 12 non-voting ex-officio members of which four shall be the president of the Chamber of Commerce, chair of EDC Advisory Council, the vice chair of the EDC Advisory Council, and the Executive Director of the TDA;
- They are pretty much managed and controlled by an Executive Committee (currently made up three people, which is the President, Vice-President, and Secretary/Treasurer); they are appointed by a standing nominating committee that is appointed by the president and elected from the board of directors;
- Chairman Comer asked that other Commissioners also speak, but he feels that with the money involved and as important as economic development is to the County, he personally thinks that we should have two Commissioners appointed to the EDC;
- By default, these two Commissioners should automatically be on the Executive Committee, along with the current structure; voting membership on the Executive Committee they would be part of the 13; that would be five Executive Committee members;
- Chairman Comer noted that he does not see this as stacking the board; we all know that when we make appointments, we try to appoint someone that is competent in that position and make the right decisions based on their working knowledge;
- Chairman Comer noted that one of the issues he has heard is about selling lots for example in the Industrial Park, that you have to go through the Commissioners and it gets frustrating, and they cannot get anything done. Chairman Comer noted that at one time, they wanted us to give them the lots so they could manage them. In reality, when the park was put in place, we could not have given it to them anyway; we could not detach ourselves from County land;
- Having two Commissioners there would help to clean up a lot of misconceptions; coming back and reporting to us to make it more transparent;
- Chairman Comer noted that another item that bothered him about their bylaws, is that since inception, they have changed the make-up of the Board five times from a membership standpoint; if they have a quorum, they only need four members and one could be an ex-officio;
- Chairman Comer noted that he would like us to form a committee to sit down with the EDC and look to do some sort of rewrite to their bylaws that would allow us some more appointments and more interaction with the EDC; it would essentially remain operating like it is now, but with us a little more involved. Chairman Comer noted that one thing that they have discussed and

they are planning to do is to take their employees under the purview of the community college for sake of benefits, retirement, etc. Chairman Comer noted that since we are spending the money, it seems it would make sense for us to pull those employees under the County's purview, instead of us paying them, them paying the college, college paying the employees, etc. Chairman Comer noted that he has talked with the EDC Executive Committee; he does not feel that they have a problem with that;

- Chairman Comer noted that he thinks that it is time for a rewrite of their bylaws; they need to be about four or five pages, not nineteen;
- We take their employees under our HR; they are HR managed under our County management; you have someone to answer to; they would be working as they are now – at the will of the EDC Board. Chairman Comer noted that he does not see that relationship changing, just come under our house so to speak. Commissioner Frank noted that it would be a savings of about \$35-45K per year. Chairman Comer noted that his recommendation would be to fund whatever their positions cost and no more at this time;
- Chairman Comer noted that we currently have monies in an EDC fund of about \$1.1M that were pass-throughs from license plate fees and the the EDC has about \$300K in the bank. Commissioner Comer noted that there is money available; he is not sure he would keep adding to that pot; he would rather establish that pot for things that might come down the pipe. The closer we are tied, the more apt we are to pay attention to that;
- Chairman Comer noted that there could be a little push back from the EDC; they have been independent for a long time, but having talked to this Board of Directors, they understand the frustrations and they want to turn the corner. Chairman Comer stated that we structure it so it is a win-win; we can stay more in tuned with what is going on at the EDC; they operate similar to what they are operating now, but they go out with a lot more support from us.

Commissioner Crittenton noted that it would be beneficial to bring them before all of us, similar to the school system; we were able to iron out a lot of the misunderstandings in a face-to-face meeting and then from that, move in the direction Chairman Comer is describing. Chairman Comer noted that he agrees with that, but he still thinks we would be better off with a small group to start with, but there will be a point in time when they would need to come before us all to lay out the plan. Chairman Comer stated that we may suggest this and they say they do not need County money; Chairman Comer also shared that he has spoken with some neighboring counties that have taken it on; a semblance of the EDC we have now will work just fine; there just seems to be a disconnect particularly with our funding. Chairman Comer stated he personally feels that we have a personal history of doing a good job and feels that the EDC could do the same thing.

Commissioner Robinson asked about the contribution that Carteret County makes to the EDC, how much has it grown over the years, and are we funding more significantly than other counties. Commissioner Mansfield noted that they have raised about \$50K per year, about \$38K this year. Chairman Comer noted that there seems to be more trends to bring it in house; Craven County had an outside EDC; they were funding \$400K per year; they did not have hands in anything; they brought it inside. Commissioner Robinson noted that we need diversity on there; we need more presence; if the County is funding it, we need to bring more accountability; if there is not a will there to work with the County, then he would not have any problem pulling the funds; Chairman Comer noted that he does feel that it would come to that. Chairman Comer noted that he does not think that would be a problem; they want the same thing and stated they have tried to turn the corner over the last couple of months; they have made some tough decisions recently. Chairman Comer noted that what he is recommending is not bringing the EDC Director under the Manager, just bringing the help under there so we can manage HR issues; they would still be working with their independent EDC Board.

Commissioner Farrington noted that he serves on the EDC as a business owner; he agrees with these ideas because a lot of the conversations in the past, as an EDC, was getting continuity with the Board of Commissioners. We have some new members that are very excited about future ideas and incentives; it boils down to accountability – not in a bad way – but in a good way; having accountability on both sides will be helpful; everything that the EDC touches in most cases is going to come back to us. Commissioner Farrington noted that one of the things we run into a lot, which is what everybody runs in to, is regulatory issues, town building codes, developing codes. Commissioner Farrington stated that he does give credit to our Planning Department; we have had some meetings with those folks, and that is not our issue; everything the EDC touches in most cases is going to eventually come back to us; we need to keep that continuity going.

Commissioner Mansfield stated that regarding Commissioner Farrington's comments, he would not say that the same; he would not say that we are the most economic friendly in Carteret County; maybe the County is doing a better job than the municipalities are doing, but some of our building codes and some of the processes that some of these businesses have to go through when they come to town are restrictive and prohibitive and we have businesses locating to other

areas and we need to do a better job at making it more efficient, more customer friendly to the person coming in. Commissioner Farrington noted that he agrees, but we are getting better; and Gene (Foxworth) is doing a fine job. Commissioner Farrington noted that a lot of what we are running in to with the EDC and boards in the past has run in to, is getting it to the Commissioners; that is the continuity that we need to solve those problems. Commissioner Frank noted that streamlining the process is a good step.

Chairman Comer shared that the EDC has indicated that they are willing to take their employees under our purview, should we do that with a motion. Mr. Overman stated that at a minimum, but he also strongly suggests that we have some sort of memorandum of agreement between the EDC and the County. Chairman Comer noted that they have currently verbally committed to an assistant and he would like to honor the commitment to that hire if in fact they want to do that.

Motion: Chairman Comer made a motion that we develop a memo of agreement with the EDC to manage their help in house; Commissioner Frank seconded, but wanted to point out that the young woman has given notice. **Motion passed unanimously.**

Chairman Comer instructed our Human Resource Director to follow up with the President and let him know what we agreed. Secondly, Chairman Comer noted that he would like to put together a small committee to work out some of the details before it is brought to the complete Board and asked for those interested in working with that; Commissioners Frank & Crittenton expressed an interest in serving.

Commissioner Farrington asked about the process of hiring the new EDC director. Chairman Comer noted that if the EDC agrees to what we are proposing, the job would be advertised through our Human Resources; we will put together a hiring committee when the time comes.

Commissioner Farrington noted that there are currently two Commissioners on the EDC Board, him and Commissioner Frank; Commissioner Farrington is on as a business owner. Commissioner Farrington noted that for this to work well, he would like to suggest that when there is the possibility of a business coming to Carteret County, that we hold some type of meeting where we could have three or four Commissioners to get insight on what is going on; some are confidential, but Commissioner Farrington noted that he has signed a confidentiality clause and has gone through ethics training; for this to work, we need the full Board's cooperation in the future to work with the EDC and get it in the right direction.

Chairman Comer noted that for clarity, if the EDC would agree to do some semblance of reorganizing their membership structure, he is in no way implying that we dump everybody on the board and start all over; I think everybody should work as is and as they have been; as their terms roll out, we appoint or re-elect at that time; I am not recommending that we wipe the slate clean.

Commissioner Mansfield noted that he has some problems with some of the appointments we make on Boards and the Boards that Commissioners serve on regarding these confidentiality agreements; we assign somebody to the board and because you think you are bound to a confidentiality agreement, we are not getting some of the information; we understand sensitivity and confidentiality, but for Commissioners to know certain things is not asking for too much.

Commissioner Crittenton noted that at one point we did a more formal report up of activities by Committee; it was more of an update.

Chairman Comer noted that he would be scheduling a meeting soon with the committee members.

FACILITIES MASTER PLAN DISCUSSION

Rachel Hammer

From: Chris Turner
Sent: Friday, February 05, 2016 5:44 PM
To: Commissioners
Cc: Russell Overman; Dee Meshaw; Rachel Hammer; Maureen Dougherty; Ray Hall
Subject: Center of Population Projections - Carteret County
Attachments: Projections, Carteret.pdf; Center of Population Projections for Carteret County.docx

Commissioners –

Attached is the center of population projection which you requested of staff during our Facilities Master Plan discussion at the 2015 Winter Retreat.

The .pdf document contains a visual representation from 2000 forward through 2050. A second word document is attached demonstrating the formula and definition of how this analysis was accomplished.

Our GIS/IT analyst Maureen Dougherty produced the tool for your review. This level of analysis is an absolute testament to the key talent which we have within our IT unit and furthermore a glimpse of Mrs. Dougherty's subject matter expertise which is equally invaluable to the county. (Great Work Maureen!)

CST...

Christopher S. Turner
Assistant County Manager/HR Director
Carteret County Government
252-728-8405 office ext. 8014
252-728-5845 fax
www.carteretcountync.gov



Center of Population Projections for Carteret County

According to the US Census Bureau, the center of population can be conceptualized as a balance point where an imaginary, weightless, rigid and flat surface would balance if weights of identical size were placed on it so that each weight represented the location of one person. The Census provides the population center for counties based on counts of population provided in decennial censuses. Thus, the center of population for 2000 and 2010 for Carteret County has been provided by the US Census.

The goal is to project the population center for Carteret County for 2020 through 2050. Population rate of growth was estimated using historic block data from 2000 and 2010. Census blocks are the smallest unit of area for which a population is reported by the Census. One problem is that the block boundaries for the most part change each decennial census, which poses as a barrier to direct comparison over time. Carolina Demography (Rebecca Tippet, Carolina Population Center, UNC-Chapel Hill) developed a methodology to normalize the 2000 Census Data into 2010 census boundaries and provided a custom built relationship file for 2010 block geographies.

Once the 2000 census blocks were built, the rate of change for each block was calculated using methods described by the UN Population Division (Manual I. Methods for estimating total population for current dates, Ch. 5 Estimates derived by extrapolation of Census results, (<http://www.un.org/esa/population/techcoop/DemEst/manual1/chapter5.pdf>). The average population increase for each block was calculated using the arithmetic formula:

$$\frac{(\text{Population}_{2010} - \text{Population}_{2000})}{10} \text{ (10 years between Censuses)}$$

This method assumes that growth is a fixed amount every year for each block.

Using the rate for each block, population in 2020, 2030, 2040 and 2050 was projected using simple arithmetic extrapolation.

$$\text{Projected population} = \text{Population}_{2010} + (\text{Number years from 2010} \times \text{Rate})$$

Another assumption is that population is evenly distributed within each census block, and that the geographic center of each block can also be used as the population center for each block. The x, y coordinates were found for each block centroid in Carteret County. The formula used to calculate the population center was adapted from the Census Bureau to work with the State Plane coordinate system, as described by Chuck Winkle (<https://bloomington.in.gov/media/media/application/pdf/4013.pdf>). Basically, for each point representing a block, find the products of the single block population for the year and the corresponding coordinates (x and then y); sum up the values for x and y and then divide by the total population for that year to find the coordinates that represent the population center.

Ex.)	Block	Population2020	X	Y
	Block A	33	2586546.72952	351729.280718
	Block B	41	2673550.69252	365811.892439
	Total Pop= 74			
	Block A:	X = 33 x 2586546.72952 = 85356042.07416		
		Y = 33 x 351729.280718 = 11607066.263694		
	Block B	X = 41 x 2673550.69252 = 109615578.39332		
		Y = 41 x 365811.892439 = 14998287.589999		
	Sum= 194971620.5/74		Sum = 26605353.9/74	
	X= 2634751.6		Y=359531.8	

DSS Space Utilization

25,694 Sq. Ft.

Staff--1992 (12 are HH)	78/66	Staff--2016	112	(+8 Part-Time)
Individual Offices	76	Individual Offices	86	
Storage Rooms--large	2	Storage Rooms--large	0	
Storage Closets	3	Storage Closets	4	
Printer/copier Rooms	3	Converted to Offices	3	(Now Use Hallway)
Home Health Rm.	9	CPS Room	12	
Clerical Pod	1	Clerical Pod	1	
File Room	1	Converted to Interviewing Offices	5	
Lounge--Downstairs	1	Converted to Office	1	
Lounge--Upstairs	1	Lounge--Upstairs	1	
Forms Rooms	1	Converted to Office	2	
Work Room	1	Converted to Office	2	
Mail Room	1	Mail Room	1	
Work Area	1	Converted to Office (Operations)	3	
Activities Center	1	Activities Center	1	
		Family Meeting Room	1	
		Upstairs Conference Room	1	

COMMUNITY	CLIENTS SERVED IN 2015	TOTALS
Cedar Island	44	
Atlantic/Sea Level	185	
Davis	73	
Stacy	46	
Williston	70	
Smyrna	70	
Marshallberg/Straits/Gloucester	309	
Harkers Island	245	
Bettie/Otway	550	
Total	1592	
North River	156	
South River/Merrimon	114	
Total	270	
Beaufort	1915	
Total	1915	3,777 25%
Core Crk/Wiregrass/Hwy 101	439	
Mill Creek	201	
Harlowe	59	
Newport	3890	
Wildwood	321	
Nine Mile Rd area	351	
Broad Creek/Bogue	1122	
Total	6383	
Morehead City	3558	
Total	3558	
Atlantic Bch/PKS	356	
Salter Path/Indian Bch	76	
Cpe Carl/Cedar Pt/Peletier	814	
Emerald Isle	245	
Stella	131	
Total	1622	11,563 75% 15,340

Numbers Comparison	
<u>FP Clients Served 2014</u>	<u>FP Clients Served 2015</u>
638	1562
<u>MH Clients Served 2014</u>	<u>MH Clients Served 2015</u>
268	300
<u>AH Clients Served 2014</u>	<u>AH Clients Served 2015</u>
538	608
<u>STD Clients Screened 2014</u>	<u>STD Clients Screened 2015</u>
669	742
<u>CD Follow-Up 2014</u>	<u>CD Follow-Up 2015</u>
103	118
<u>Postpartum Home Visits 2014</u>	<u>Postpartum Home Visits 2015</u>
75	122
2,291 Served in 2014	3,452 Served in 2015

Mr. Overman noted that as has been discussed in the past, there are multiple moving components of the plan. Mr. Overman noted that Commissioners have authorized the County to move forward with the General Services/Public Work facility; they are working on that and will be coming to Commissioners with a proposed design/recommendation on the lots. Mr. Overman noted that the next step being discussed is the need to look at consolidating the Health Department and the Social Services Department, primarily into a new Consolidated Human Services building. Mr. Overman stated that the potential new building holds the key to us doing anything else with regard to renovating other space; we have never made a recommendation that we go out and build a \$70M building. Mr. Overman reiterated that we have also talked about bringing in the Office of Aging (with them remaining in their current building), Veteran Services, and Rape Crisis under human services; i.e., Aging would just be from a functional standpoint. Mr. Overman noted that as shared in the past, some of our efficiencies would not be realized until the group is under one roof; with the two existing facilities, there is no way to go in and renovate and bring one agency over to another; we would be much better building new. Mr. Overman noted that doing that would allow us to determine next steps.

Mr. Atkinson, the Consolidated Human Services Director, provided information to the Board. Mr. Atkinson shared that he had written on a board in his office a question, "What is the fundamental reason to build a consolidated human services building?" Anytime a member of his management team came in, he asked how they would respond to that question; it is all about space. Mr. Atkinson shared some information that shows a snapshot of then and now; in 1992, the renovation and expansion of the existing DSS building was completed. At that time, there was a total of 78 staff that occupied the building; twelve of those staff were members of Carteret County Home Health; at the time, it was housed in the DSS building, but moved to the hospital eight or 12 years ago. Mr. Atkinson shared how the space compares from 1992 when their building was updated to the current staff. Mr. Atkinson shared that in July, we had 186 people come to the Health Department to conduct DSS services; by December, we had more than doubled – 458.

Mr. Atkinson shared that there has been an explosive growth of cases; food stamp programs are changing; Medicaid cases are exploding. Mr. Atkinson emphasized that our citizens will benefit from having a single line of authority directing human service delivery to all citizens equally. Mr. Atkinson noted that approximately 16% of Carteret County population receives services from us today; 25% live down east; 75% live up west.

Mr. Chris Turner noted that Oakley-Collier representatives are here to answer any questions Commissioners may have.

Mr. Overman noted that at a recent manager's conference, they talked about food stamp processing; while we are doing things well in Carteret County; in the State of North Carolina, 95% of the food applications have to be processed in a timely manner; we could be processing all of ours in a timely manner, but if other counties are not, we may be penalized. We are constantly going to be dealing with new State and Federal regulations; we are not going to see a decrease in these two departments. The only savings you will realize will be long-term; those savings will come about through attrition, elimination of positions or reclassifying what people do.

Commissioner Farrington noted that food stamps, for example, do they have to come to the location every month to get service. Mr. Atkinson noted that their cases have to be reviewed every six months; you don't have to have a face to face review. Commissioner Farrington asked that with technology, can technology curve some of these visits; Mr. Atkinson noted yes; there is an 'e-pass' that allows you to log on and you can complete an application.

Chairman Comer asked is a new proposed building calculated on the fact that there could be a smaller number of employees. Mr. Atkinson shared that with NCFast, for example, the system is not making it possible to reduce; we are having to have more employees.

Mr. Tim Collier noted that the biggest savings is in the filing; the digital age and the ability reduces the footprint of the building; but when you add the HIPPA requirements, it changes; we have not seen a huge difference other than in storage size.

Chairman Comer noted that he has to be real comfortable that we are on spot with the size and functionality of it; Mr. Collier noted that they compared current space with growth in 7 to 15 years; they recommended 10,000 square feet smaller than the first study. Chairman Comer asked what is the lifespan of what was proposed. Mr. Collier noted that it was pushed out 7, 15, and 30 years. Chairman Comer asked – if we were to start building it tomorrow – is it a 30 year building; Mr. Collier noted that it would be a 30 year building.

Commissioner Crittenton noted that the hospital was 50 years old last year; there was an issue with iron pipes; you never know what is behind the walls.

Mr. Collier noted that they did look at whether there was a way to build on the current sites; on the Beaufort site, there is not a way to gain much space.

Chairman Comer noted that the County is 100 miles long; does it make sense to have two locations? Mr. Atkinson noted that what he would propose a central office more central to the population, and maybe a satellite office down east.

Mr. Collier and Ms. Oakley noted that the County currently has 53,000 square feet in the current human services buildings; in today's needs, or as of last year, you had 66,962 square feet of need; you had a deficit. When we pushed it out 7 years, we were at 76,584 square feet; at 15 years, it was 80,000 square feet; at 30 years out, it was 83,632 square feet – that was based on the County continuing to grow at about a 4.5% clip as the years go forward. Ms. Oakley noted that while growth was happening, space was being taken from other areas; it is currently maxed out; there is no space to expand.

Chairman Comer asked what is the square footage that would be recommended today; Mr. Collier noted it would be 80,000 square feet which would be for 30 years' projected growth.

Chairman Comer asked that Finance give us information on retiring debt; Ms. Meshaw noted in '18, we have about \$900K coming off; if we do the plan that was presented in October, setting aside \$300K this year, we will have adequate funding to fund a human services building without having to raise taxes to make that debt-service piece. Chairman Comer noted that we are estimating a \$15M project, and it looks like that \$900K alone would just about substantiate that; Ms. Meshaw agreed. Mr. Overman noted that we would also free up approximately \$45K per year in lease payments, with child support, would be an additional savings to that would get it close to \$100K. Mr. Overman noted that he would be sure that we have the actual figure at next week's meeting.

Commissioner Farrington noted that we do not have a blueprint, but confirmed that we have a concept; wants to know that Commissioners have the opportunity to look at the scope and do some value engineering. Mr. Turner noted that will be the process. Chairman Comer asked if we would be seeing something back within 120 days; Mr. Collier noted it would be 90 days to get through programming and scope, size and look.

Commissioner Robinson noted that he is not sure he is in a position to vote; while being respectful and knowing the need, he is not sure it will be more convenient or that it will serve additional people. Commissioner Farrington noted that he agrees; let's see how the general services facility moves forward first.

Motion: Commissioner Smith made a motion authorizing staff to move forward with additional planning for a new County consolidated human services facility; seconded by Commissioner Frank. Commissioners Smith, Frank and Crittenton approved; Commissioners Comer, Mansfield, Robinson, and Farrington opposed; **motion failed.**

Chairman Comer noted that he is opposed to doing it today, but would look for additional information.


RECESS

BOARD OF EDUCATION UPDATE

Dr. Novey expressed his appreciation for the opportunity to speak. Dr. Novey noted that he supplied a list of accomplishments/return on investments for the 2014-15 school year, provided some highlights of these accomplishments and wanted Commissioners to both understand and to be proud of these accomplishments, made possible by investments from the County.

Carteret County Public Schools 2014-15
Your Schools/Your Return on Investment

- Math I EOC scores (College and Career Ready) - 5th of 116 LEAs
- Biology (College and Career Ready) - 2nd of 116 LEAs
- English II (College and Career Ready) - 6th of 116 LEAs
- Grade 4 Reading (College and Career Ready) - 5th of 116 LEAs
- Grade 4 Math (College and Career Ready) - 6th of 116 LEAs
- AMO Percent of Targets Met - 7th of 116 LEAs (AMO = Annually Measured Objective)
- ACT Percent Met Proficiency Standards - 2nd of 116 LEAs
- ACT WorkKeys Percent Met Standards - 1st of 116 LEAs
- Performance Composite (College and Career Ready) - 7th of 116 LEAs
- Two high schools were designated A schools
- Eight other schools were designated B schools
- Remainder were C schools
- Only two of 16 schools did not meet or exceed their growth targets.
- 43.8% exceeded growth.

<div>State of the School System Financial Update</div> <div></div>	<div>Operating Budget 2015-2016</div> <div><ul style="list-style-type: none">• Funding<ul style="list-style-type: none">• Request to County \$21,911,924• Received \$20,350,000• \$1,561,924 reduction</div>
<div>Operating Budget 2015-2016</div> <div><ul style="list-style-type: none">• To meet the shortfall<ul style="list-style-type: none">• Supplement increase not implemented• Driver's Ed funded by state• Record retention not funded• Teacher assistant funds partially restored in the biennium budget• ADM growth/reduction funded by general assembly• Construction manager funded by bond</div>	<div>Operating Budget 2015-2016</div> <div><ul style="list-style-type: none">• 2015-2016 budget mirrored the 2014-2015 budget except for<ul style="list-style-type: none">• New technology facilitator at Croatan• \$4/child for access to state provided teaching resources• Integrated Planning for School and Community Study OREd• Coaching supplement increase; however, the new purchasing/fixed asset position and contract for digitized school records were cut to fund coaching supplement.• Salary and benefits increases• \$750 state mandated bonus paid to all locally paid employees• State teacher assistant allotment reduction• Reduction to state allotment due to ADM projection of 8494 students, actual ADM 8363</div>
<div>Operating Budget 2015-2016</div> <div><ul style="list-style-type: none">• 2015-2016 Local Budget Request \$21,911,924• 2015-2016 Local Allocation \$20,350,000• 2015-2016 Actual Budget \$21,748,918 (County funding plus fund balance appropriated)• Fund Balance Appropriated \$ 1,398,918• Difference of Projection (.7%) \$ 163,006• Unassigned Fund Balance \$ 654,605</div>	<div>Operating Budget 2016-2017</div> <div><ul style="list-style-type: none">• Operating Projections for 2016-2017<ul style="list-style-type: none">• Salary increases estimated 7%• Retirement increase estimated ½%• Hospital Insurance 0%• State and federal revenue projected to remain flat; however, with state salary and benefit increases there will be an increased demand on the local budget to match state salary and benefit increases</div>
<div>Capital 2015-2016</div> <div><ul style="list-style-type: none">• 2014-2015 Carryover<ul style="list-style-type: none">• \$2,061,540 in carryover from 2014-2015• 80% is either encumbered or the improvements and repairs are completed</div>	<div>Capital 2015-2016</div> <div><ul style="list-style-type: none">• 2015-2016<ul style="list-style-type: none">• \$2,403,000 in capital funds appropriated<ul style="list-style-type: none">• \$750,000 technology funds are expended• \$1,000,000 planned repairs, 97% has been encumbered or projects completed• \$653,000 category II, 40 % has been encumbered or funds expended</div>
<div>Capital 2016-2017</div> <div><ul style="list-style-type: none">• Carefully developing a reliable 5-year plan. Significant part of this 5 year plan is going to be chillers.</div>	<div>Capital 2016-2017</div> <div><ul style="list-style-type: none">• Schedules are proactive rather than reactive.<ul style="list-style-type: none">• Roofing• Chillers• Painting• Flooring• Vehicles• Playground equipment</div>

Chiller Inventory				Bond			
Site	Year Installed	Tons	Bk. Cost				
WCHS	2002	100	\$140,000				
WCHS	2004	96	\$140,000				
WCHS	2004	160	\$120,000				
WCHS	2001	80	\$80,000				
CHS	2009	200	\$280,000				
WES	2003	95	\$140,000				
WES	2009	140	\$150,000				
WES	2009	110	\$110,000				
WES	2009	110	\$110,000				
WES	2006	100	\$100,000				
SES/GENS	2009	96	\$100,000				
MSU	2009	140	\$120,000				
GENS	2006	120	\$120,000				
CHS	2009	100	\$100,000				
WCHS	2006	130	\$130,000				
WCHS	2006	160	\$160,000				
WCHS	2006	120	\$120,000				
WCHS	2000	100	\$100,000				
WES	2006	120	\$120,000				
SES/GENS	2011	96	\$100,000				
LES	2011	100	\$110,000				
MSU	2012	200	\$200,000				
WCHS	2011	120	\$120,000				
CHS	2010	200	\$200,000				
MSU	2012	200	\$200,000				
MSU	2012	180	\$180,000				
WES	2012	200	\$200,000				
WCHS	2012	100	\$100,000				

Dr. Novey noted that the rest of their presentation will focus on their operating budget, and asked that Ms. Kathy Carswell speak about the school system's operating budget:

- Ms. Carswell noted that for '15-'16, the school system requested \$21,911,924; the County funded \$20,350,000, a reduction of \$1,561,924;
- Ms. Carswell reviewed the steps taken to balance their budget as a result of the shortfall as noted in the presentation;
- Ms. Carswell noted that the appropriated fund balance was \$1,398,918 with an unassigned fund balance of \$654,605;
- Ms. Carswell noted that the school system does not have the fund balance to go into '16-'17, stating that they either have to come to the County or they will have to cut positions for next year;
- Ms. Carswell noted that the State mandated items total \$741,000;
- The previous years' expenses were \$21,534,882;
- Ms. Carswell reviewed the operating projections for 2016-17;
- They have used their fund balance; without adequate funding from the County, they would have to probably cut 30 teaching positions.

Mr. Mat Bottoms reviewed the 2015-16 Capital:

- There was a \$2M carryover from 14-15; 80% are either now done or encumbered; they have been diligent in getting the work done;
- Capital for '15-'16 was allocated at \$2.4M; \$750K technology funds were expended; \$1M in planned repairs with 97% encumbered or completed; \$653K for category II; 40% has been encumbered or funds expended;
- Noted that they are looking at working on a better 5 year plan. In looking at a 5 year plan, they tried to look at schedules so that they could be proactive; things like: roofing, chillers, painting (done on a 7 year rotation); flooring – trying to get rid of carpets; looking at their vehicles and activity buses; playground equipment; reviewed the chiller inventory.

Dr. Novey provided issues that fall under the bond and work that is either planned or underway; noted that he wants Keith (Maready) to talk about the White Oak Project. Mr. Maready reviewed the proposed new construction/overall floor plan provided by Hite Associates. Mr. Maready noted there is currently a water issue that had to be addressed. Commissioner Farrington asked what it would be built of; block and a metal roof was the answer. Commissioner Farrington noted that when a walk-through was done in the area, it was mentioned that storage was an issue and asked about storage; response was teacher work room. Dr. Novey noted that cabinetry would be used to cover storage issues; no change to the admin area.

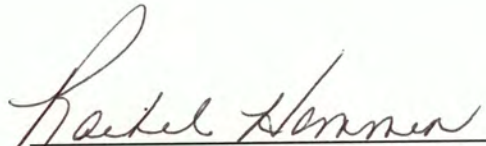
(Commissioner Robinson left the meeting at 4:00 p.m.)

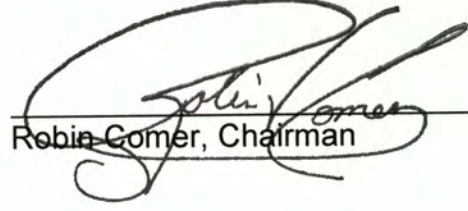
Dr. Novey ended with a review of a study the school system is doing with NCSU. They are doing an integrated plan for school and community land use study. Dr. Novey noted that Gene Foxworth provided them with a lot of data as far as GIS. Dr. Novey noted that NC State was here conducting interviews; they plan to analyze the data they collected, and come up with a final product in April that will map out projections for enrollment and facility use over the next ten years; their degree of being correct is about within 1%. Dr. Novey noted that they are going to be sharing that report with their Board and will be glad to share that with Commissioners; will help move this County forward.

Chairman Comer asked if the school system had received the study results. Dr. Novey noted that Chairman Comer was talking about the address verification study. Dr. Novey noted that they have done two things; the big one is the NC State study that is continuing; they also took a look at addresses and overcrowding. Dr. Novey noted that they have looked at their first reiteration and the red flags that came back and have tracked them down. Dr. Novey noted that they are working with a list of questions to be sure they have folks at the right school. Dr. Novey shared that they

had 28 names that they need to check for the Croatan area; have also initiated a tip line; being very proactive. Commissioner Mansfield asked what information could be shared; Dr. Novey noted that he would get back with Commissioner Mansfield on what could be provided from the spreadsheet.

Motion: Commissioner Farrington moved to adjourn; Chairman Comer seconded. **Motion carried unanimously.**


Rachel Hammer, Clerk to the Board


Robin Comer, Chairman